



1 ENERGY AND ENVIRONMENT CABINET

2 Department for Natural Resources

3 Division of Oil and Gas

4 (Repealer)

5 805 KAR 9:011. Repeal of 805 KAR Chapter 9.

6 RELATES TO: KRS 349.035, 349.040, 349.075, 349.110, 349.015, 349.120, 349.155

7 STATUTORY AUTHORITY: KRS 349.115

8 NECESSITY, FUNCTION, AND CONFORMITY: KRS 349.115 provides the Department
9 for Natural Resources the authority to promulgate administrative regulations related to coalbed
10 methane. This administrative regulation repeals 805 KAR Chapter 9. The regulations in 805 KAR
11 Chapter 9 were established as administrative regulations related to drilling for coalbed methane.
12 The administrative regulations correspond closely to the administrative regulations in 805 KAR
13 Chapter 1. In an effort to place drilling information in one chapter of Title 805 the department is
14 proposing to repeal 805 KAR Chapter 9 administrative regulations and insert the relevant coalbed
15 methane information into the corresponding administrative regulations in 805 KAR Chapter 1.

16 Section 1. The following administrative regulations are hereby repealed:

17 (1) 805 KAR 9:010, Protection of fresh water zones;

18 (2) 805 KAR 9:020, Well location plat, preparation, form and contents;

19 (3) 805 KAR 9:030, Surety Bonds; requirements, cancellation;

20 (4) 805 KAR 9:050, Gas storage reservoirs; drilling, plugging in vicinity;

- 1 (5) 805 KAR 9:060, Operating or deepening existing coal bed methane wells and drilling
- 2 deeper than the permitted depth;
- 3 (6) 805 KAR 9:070, Directional and horizontal wells;
- 4 (7) 805 KAR 9:080, Contents of the operations and reclamation proposal; form on which
- 5 the proposal is filed;
- 6 (8) 805 KAR 9:090, Production reporting.

805 KAR 9:011 approved for filing.
Pages(1-2)

7/10/2019

Date

Charles G. Snavely
Charles G. Snavely, Secretary
Energy and Environment Cabinet

PUBLIC HEARING AND PUBLIC COMMENT PERIOD: A public hearing on this administrative regulation shall be held on August 22, 2019 at 5:00 P.M. (Eastern Time) in Training Room C of the Energy and Environment Cabinet at 300 Sower Blvd, Frankfort, Kentucky. Individuals interested in being heard at this hearing shall notify this agency five workdays prior to the hearing, of their intent to attend. If no notification of intent to attend the hearing is received by that date, the hearing may be cancelled. This hearing is open to the public. Any person who wishes to be heard will be given an opportunity to comment on the proposed administrative regulation. A transcript of the public hearing will not be made unless a written request for a transcript is made. If you do not wish to be heard at the public hearing, you may submit written comments on the proposed administrative regulation. Written comments shall be accepted through August 31, 2019. Send written notification of intent to attend the public hearing or written comments on the proposed administrative regulation to the contact person.

CONTACT PERSON: Michael Mullins, Regulation Coordinator, 300 Sower Blvd, Frankfort, Kentucky 40601, phone: (502) 782-6720, fax: (502) 564-4245, email: michael.mullins@ky.gov.

REGULATORY IMPACT ANALYSIS AND TIERING STATEMENT

Administrative Regulation No.: 805 KAR 9:011
Contact Person: Michael Mullins

Contact number: (502) 782-6720
Email: michael.mullins@ky.gov

(1) Provide a brief summary of:

(a) What this administrative regulation does: This administrative regulation repeals 805 KAR Chapter 9, except for one administrative regulation, which will be recodified into 805 KAR Chapter 1.

(b) The necessity of this administrative regulation: This administrative regulation is necessary in order to repeal 805 KAR Chapter 9. This information is being merged into 805 KAR Chapter 1.

(c) How this administrative regulation conforms to the content of the authorizing statutes: KRS 349.115 provides the Department for Natural Resources the authority to promulgate administrative regulations related to coalbed methane. This repealer will repeal the coalbed methane administrative regulations in 805 KAR Chapter 9.

(d) How this administrative regulation currently assists or will assist in the effective administration of the statutes: This administrative regulation repeals the administrative regulations in 805 KAR Chapter 9. The coalbed methane information is being moved into the 805 KAR Chapter 1 administrative regulations. The coalbed methane administrative regulations were very similar to the 805 KAR Chapter 1 administrative regulations.

(2) If this is an amendment to an existing administrative regulation, provide a brief summary of:

(a) How the amendment will change this existing administrative regulation: The amendment repeals the regulation pertaining to the Commonwealth's coalbed methane program because the pertinent requirements are being moved into 805 KAR Chapter 1.

(b) The necessity of the amendment to this administrative regulation: The repeal is necessary because the information in 805 KAR Chapter 9 is being moved to 805 KAR Chapter 1.

(c) How the amendment conforms to the content of the authorizing statutes: The amendment conforms to the statute by repealing the administrative regulations pertaining to the Commonwealth's coalbed methane program and moving the pertinent requirements into 805 KAR Chapter 1.

(d) How the amendment will assist in the effective administration of the statutes: This amendment will repeal the requirements pertaining to the Commonwealth's coalbed methane program and moved them into the 805 KAR Chapter 1.

(3) List the type and number of individuals, businesses, organizations, or state and local

governments affected by this administrative regulation: There are approximately 1,060 active oil and gas operators in the Commonwealth.

(4) Provide an analysis of how the entities identified in question (3) will be impacted by either the implementation of this administrative regulation, if new, or by the change, if it is an amendment, including:

(a) List the actions that each of the regulated entities identified in question (3) will have to take to comply with this administrative regulation or amendment: No action will need to be taken to comply with this repealer.

(b) In complying with this administrative regulation or amendment, how much will it cost each of the entities identified in question (3): There are no additional costs associated with this repealer. The requirements related to coalbed methane have not changed but have simply been merged into the appropriate administrative regulation in 805 KAR Chapter 1.

(c) As a result of compliance, what benefits will accrue to the entities identified in question (3): The regulated entities will benefit by having all of the information related to oil and gas operations in one chapter.

(5) Provide an estimate of how much it will cost the administrative body to implement this administrative regulation:

(a) Initially: There are no costs associated with the repeal of this administrative regulation.

(b) On a continuing basis: There are no costs associated with the repeal of this administrative regulation.

(6) What is the source of the funding to be used for the implementation and enforcement of this administrative regulation: No funding source is required to repeal these administrative regulations.

(7) Provide an assessment of whether an increase in fees or funding will be necessary to implement this administrative regulation, if new, or by the change if it is an amendment: No fees are necessary.

(8) State whether or not this administrative regulation established any fees or directly or indirectly increased any fees: This repealer does not involve any fees.

(9) TIERING: Is tiering applied? No, this is a repeal of an administrative regulation.

FISCAL NOTE ON STATE OR LOCAL GOVERNMENT

Administrative Regulation No.: 805 KAR 9:011
Contact Person: Michael Mullins

Contact number: (502) 782-6720
Email: michael.mullins@ky.gov

(1) What units, parts or divisions of state or local government (including cities, counties, fire departments, or school districts) will be impacted by this administrative regulation? The Division of Oil and Gas.

(2) Identify each state or federal statute or federal regulation that requires or authorizes the action taken by the administrative regulation. KRS 349.115.

(3) Estimate the effect of this administrative regulation on the expenditures and revenues of a state or local government agency (including cities, counties, fire departments, or school districts) for the first full year the administrative regulation is to be in effect.

(a) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for the first year? This repeal will not generate revenue.

(b) How much revenue will this administrative regulation generate for the state or local government (including cities, counties, fire departments, or school districts) for subsequent years? This repeal will not generate revenue.

(c) How much will it cost to administer this program for the first year? This repeal will not cost the agency additional funding.

(d) How much will it cost to administer this program for subsequent years? This repeal will not cost the agency additional funding.

Note: If specific dollar estimates cannot be determined, provide a brief narrative to explain the fiscal impact of the administrative regulation.

Revenues (+/-): There is no known effect on current revenues.

Expenditures (+/-): There is no known effect on current expenditures.

Other Explanation: There is no further explanation.